Association (IBA), the Reserve Bank of India (RBI) has issued guidelines to tackle the problem of stock of old non-performing assets in public sector banks, The revised guidelines cover all NPAs in all sectors irrespective the nature of business, which have become doubtful or loss as on 31.3.1997 and also NPAs classified as sub-standard as on March 31, 1997 and which have become doubtful or loss subsequently. The guidelines will be non-discretionary and non-discriminatory. It has been decided to peg the cut-off limit at Rs. 5 crore. Recovery in the NPA accounts over Rs. 5 crore will have to be personally monitored and followed up by the CEO in accordance with the policy laid down by the Board of Directors. Where the Board of, bank comes to conclusion that a rehabilitation scheme is not possible recovery suits should be filed without further loss of time. These guidelines are to remain operative up to 31.3.2001. The guidelines do not cover cases of wilful default, fraud or malfeasance.

(c) Provisions have been made in the recently amended Recovery of Debts Due to Banks & Financial Institutions Act, 1993 for attachment of defendants' property/assets before judgement, appointment of receiver of any property of the defendants before or after grant of recovery certificate.

(d) RBI publishes a list of borrowal accounts against whom banks and financial institutions have filed suits for recovery of their dues aggregating Rs. 1 crore and above as on 31st March every year. The last such list published as on 31st March, 1999 has already been kept in the Library of Parliament.

Multi-Crore Money Transaction Racket

1017. SHRI ABANI ROY: Will the Minister of FINANCE be pleased to state:

(a) whether the IT Department has recently unearthed a multi-crore money transaction racket in the capital involving some big persons relating to industries and CAs;

(b) if so, the modus operandi of such financial racket;

(c) whether Government are aware that CAs in the country are deeply involved with companies in running such rackets; and

(d) if so, the steps Government propose to take against CAs as well as companies involved in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAY KUMAR): (a) and (b) Searches have been conducted by the Department in the cases of a few Chartered Accountants and related persons. The modus operandi was opening of bogus bank accounts through which cash was routed as non-existant loans etc. Hawala entries of long term and stort term capital gains and losses were provided by trading in shares of companies which existed on paper only.

(c) No such instance has come to the notice of the Government.

(d) In view of answer to Part (c) of the question, does not arise.

Failure of Banks in Recovery of NPAs

†1018. SHRI KRIPAL PARMAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that nationalised banks in the country have completely failed in the matter of recovery of their loans;

(b) if so, the total amount to be recovered by each of the Nationalised Banks as on 30th June, 2000;

(c) whether Government/Reserve Bank of India have issued any guidelines to such banks and the powers given to these banks for the recovery of the said loans within the specific time frame; and

(d) if so, the details thereof along with the other efforts being made for the recovery of the said loans?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL): (a) No Sir, Nationalised banks have been making continuous efforts to recover their dues by regular follow up, monitoring, compromise/negotiated settlement. If their efforts for recovery fail, suits are filed by the bank.

(b) the position of amount to be recovered by each of the

†Original notice of the question was received in Hindi.